

Form PR, Form P-17, and P-17A

### Power Point Presentation



This presentation is available for download from the RRC website at <a href="https://www.rrc.texas.gov/oil-and-gas/workshops-and-conferences/rrc-regulatory-webinars/regulatory-webinars-2021-schedule/">https://www.rrc.texas.gov/oil-and-gas/workshops-and-conferences/rrc-regulatory-webinars-2021-schedule/</a>

### **Class Description**



- What is the Form PR
- When to file the PR Report
  - For Oil wells, the month production begins whether prior to completion date.
  - For Gas wells, from the completion date on new or workover completions.
- How to file the PR Report
- · What is the Form PR:
- The Form PR is governed by SWRs 27, 54, & 58. It is a monthly production report required to be filed for producing oil & gas wells, or if there is a balance of stock on hand (oil in the tank). Also, for leases that still have an allowable associated, if the well is shut-in but on schedule as a producing well, a Form W-10 or G-10 ( Well Status Report) should be filed.
- When to file the PR Report:
- For Oil Wells: is required the month the production begins whether it is prior to the completion date.
- For Gas Wells: the month production initiates on new or workover completions.
- Monthly production reports are required to be filed on or before the last working day of the month, following the month covered by the report. For example, the January 2021 PR reports are due by last working day of February 2021. Corrected production can be filed at any time.
- How to file the PR Report:
- The PR reports can be filed in several formats hard copy, through the Online Production Report system or EDI upload. The preferred method is in an electronic format, & it is much more efficient allowing instant submission. In addition, our online filing system has many business rules that eliminate common Hard Copy filing discrepancies.

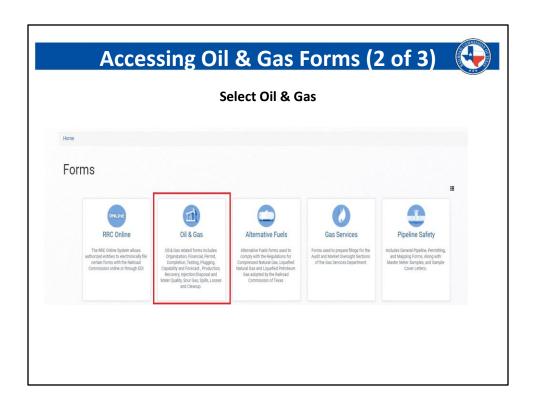
# **PR Reporting Information**



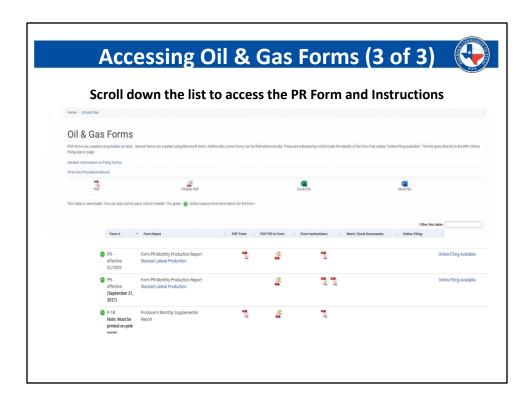
- Oil/ Condensate
- Gas –Casinghead Gas (GSGHD) & Gas Well Gas (GWG)
- Disposition (codes)
- Stock on hand
- Volumes
- Oil/Condensate production is reported in barrels (BBLS), including any test oil and condensate.
- Casinghead Gas (CSGHD) and Gas Well Gas (GWG) production is reported in thousand cubic feet (MCF), including test gas.
- Disposition Codes indicates the volume of hydrocarbons leaving or used on a lease. Example – disposition code 01 for Oil leases is used if a truck picked up on the lease. For Gas leases – disposition code 02 is used if gas is moved through a transmission line, disposition code 01 is used for "lease use".
- Stock on hand is the amount of oil or condensate that is remains in the tank battery.
- All oil, condensate, natural gas and gas well gas volumes are to be reported in whole numbers.



From our Home page, select "FORMS"



Selecting Oil & Gas will take to all Forms associated with the O & G Division



Disposition Codes can be found under the Instructions associated with the Form PR You'll note the Supplemental PR and P-1B Form - we we'll be discussing these Forms as we go through the presentation.

# **Disposition Codes for Oil Leases**



Table 1: CRUDE OIL/CONDENSATE DISPOSITION CODES

Disposition Code	Description/Instructions
0	Pipeline
1	Truck
2	Tank car or barge
3	Net oil/condensate from commercial tank cleaning – as calculated on the bases
	of a shakeout test. Show BS&W as oil/condensate disposition Code 6. Indicate the name of tank service and/or R-2 facility in REMARKS on Form PR.
4	Circulating oil/condensate – original movement off lease. File a notification letter with the appropriate district office and Austin.
5	Lost or stolen – includes loss from fire, leaks, spills, and breaks, as well as theft. File Form H-8 if more than 5 barrels.
6	Sedimentation – BS&W from commercial tank cleaning. Show net oil/condensate as oil/condensate disposition Code 3. Indicate the name of the tank service and/or R-2 facility in REMARKS on Form PR.
8	Skim liquid hydrocarbons – as charged back on Form P-18 by a saltwater disposal system
71	Other – change of operator
72	Other – road oil use
73	Other – lease use
74	Other – production lost to formation
75	Other – Provide an explanation in REMARKS on Form PR.

Here are the Disposition codes for OIL leases

# OIL Disposition Codes (1 of 5)



Oil/Condensate (Column 8):

• Code 0: Pipeline

• Code 1: Truck

• Code 2: Tank Car or Barge

Each of these Oil disposition codes are to be used to indicate the method in which the stock left the lease.

### OIL Disposition Codes (2 of 5)



- Code 3 & 6: Net oil/condensate from commercial tank cleaning & Sedimentation
- Code 4 Circulating oil/ condensate

Code 3 & 6: (Net oil/condensate from commercial tank cleaning & Sedimentation) Reclaiming and Treating Plants – known as an R-2 Facility. This disposition code requires that a commercial reclamation tank cleaning facility (Form R-2), picks up the stock for Basic Water & Sediment (BS & W) usage. The

Facility Name and Permit # of that facility must be included in the remarks of the PR for that filing period.

This link provides users documentation of the Active R-2 facilities with the RRC.

https://www.rrc.texas.gov/media/1fbhordd/comfac active weblist.pdf

Code 4: (Circulating oil/ condensate) Movement letter/remark & requires **prior** authorization through the district office. The approved movement letter is required when submitting the production report.

Please email the approval from the district office to the Production general email at ProductionReporting-info@rrc.texas.gov, if you submit your monthly PR online/EDI. If filing the PR via hardcopy, you may include the approval with your monthly submission.

### **OIL Disposition Codes (3 of 5)**



- Code 5 Lost or stolen
- Code 8 Skim liquid hydrocarbons

Code 5: (Lost or stolen) Which includes loss from fire, leaks, spills, breaks and theft. The District office must be contacted and the Form H-8 will be filed if greater than 5 barrels. The Form H-8 does not need to be sent to the RRC Austin office.

Code 8: (Skim liquid hydrocarbons) Oil/condensate allocated from salt water gathering systems, prior to the injection or disposal of water. This volume is reported by the company that disposes of water generated at the lease. The reported skim oil volume is allocated back to the lease and is reported on the Form P-18 (Skim Oil/Condensate report). The volumes on the PR and P-18 should always be the same for the month of filing. If

there is not a match between the volumes on the PR versus the P-18, the operator should contact the P-18 filer to sort the differences with the reported data.

### OIL Disposition Codes (4 of 5)



- Code 71: Other change of operator
- Code 72: Other –road oil use

Code 71: (Other - change of operator) Is used to correct inaccurate stock volumes in a tank battery. This code can only be used when there is a change of operator. The PR filing month must be the same as the *effective month and year* of the Operator Change P-4.

Code 72: (Other –road oil use) This code requires a minor permit from the district office. Upon receipt of the approval, provide a copy of the permit from the district office to the Production department.

<sup>\*</sup>The effective date confirms when a lease was officially taken over.

### OIL Disposition Codes (5 of 5)



- Code 73: Other lease use
- Code 74: Other production lost to formation
- Code 75: Other

All these codes will require a letter of explanation to be submitted with the PR.

Code 73: (Used for lease use)- Liquid hydrocarbons used on the lease or another lease for drilling purposes and will not be recovered, ex: drilling mud, lubrication of tubing, etc. In addition to using this code on the PR, an email explanation should be sent to the Production department.

Code 74: (Used for production lost to formation)- Liquid hydrocarbons used on the lease for frac, hot oil, etc. and will not be recovered prior to plugging.

Code 75: (Used for other disposition situations)- This code requires **prior approval** from the Production Audit Department in Austin. This includes wells that have been plugged and abandoned. Operators are required to continue reporting production until all stock has been sold or disposed of. Provide an explanation in REMARKS on Form PR.

Contact us at 512-463-6726 for more information.

# **Disposition Codes for Gas Leases**



#### Table 2: CASINGHEAD GAS/GAS WELL GAS DISPOSITION CODES

Disposition Code	Description/Instructions
1	Lease or field fuel use – gas used or given to others for field operations including lease drilling fuel, compressor fuel, etc.
2	Transmission line – gas delivered to a transmission line that will not be processed further before ultimate use, including gas used for industrial purposes, irrigation or refinery fuel, etc.
3	Processing plant – total gas delivered to a gas processing plant (any plant or facility reported on Form R-3). Do not report the "plant breakdown" of the gas on Form PR.
5	Gas Lift – gas you use, sell or give to others directly for gas lift. Do not include gas delivered to pressure maintenance or processing plants even though it is ultimately used for gas lift.
6	Repressure or pressure maintenance – gas delivered to a system or plant that does not extract liquid hydrocarbons. That system or plant will report on Form R-7. (A pressure maintenance plant or system that does extract liquid hydrocarbons must file Form R-3. If gas is delivered to a plant or system that recovers liquid hydrocarbons, use casinghead gas/gas well gas disposition Code 3 even though the gas may ultimately be injected for pressure maintenance.)
7	Carbon black – gas delivered to a carbon black plant.
8	Underground storage – gas injected directly into a storage reservoir.
10	Flared – See Instructions
11	Vented – See Instructions

Here are the Disposition codes for GAS leases

### **GAS Disposition Codes (1 of 3)**



Casinghead/ Gas Well Gas (Column 12):

- Code 1: Lease or field fuel use
- Code 2: Transmission line

Code 1: (Lease or field fuel use) gas given to others for field operations, including lease drilling fuel, compressor, etc.

Code 2: (Transmission line) gas delivered to a pipeline that will not be processed further, before ultimate use, including gas used for industrial purposes, irrigation or refinery fuel, etc.

### **GAS Disposition Codes (2 of 3)**



Code 3: Processing Plant

Code 4: Vented or Flared

**IMPORTANT**: new disposition codes will go into effect for September's 2021 Production Reports and forward.

- Code 10 should be used to report Flaring volumes.
- Code 11 should be used to report Venting volumes.
- Only use Code 04 for the production months of August 2021 and prior.

Code 3: (Processing Plant) total gas delivered to a gas processing plant which is reported on a Form R-3. Also referred to as "Full Well Stream" as all products produced from the well goes down the line for further processing. The total metered product should be reported on the PR. Do not report the "plant breakdown" on the PR as this should be filed on the Monthly Report for Gas Processing plants (Form R-3).

Code 4: (Vented or Flared) May require an exception. Review SWR 32. If you need assistance in determining if an exception is required, contact the RRC's Engineering department at <a href="mailto:engunit@rrc.Texas.gov">engunit@rrc.Texas.gov</a> or at 512-463-1126.

\*Effective September 1, 2021, code 4 will be discontinued except for filing a Corrected Report with a cycle date prior to September 1, 2021.

### **GAS Disposition Codes (3 of 3)**



• Code 5: Gas Lift

• **Code 6:** Repressure or pressure maintenance

• Code 7: Carbon black

• Code 8: Underground storage

Code 5: (Gas Lift) Lift gas used or given to others directly for gas lift. The amount must be recovered prior to reporting future production. Call us if you need assistance with this.

<u>Example:</u> If gas produced from Lease A is being moved to Lease B for gas lift purposes, the volume of gas being moved from Lease A shall be reported on the PR as production with a disposition code of 5. Lease B should **not**\_show any gas volume on the PR report and the gas received from Lease A **must be recovered prior to showing production.** 

Code 6: (Repressure or pressure maintenance) gas delivered to a system or plant that does not extract liquid hydrocarbons

Code 7: (Carbon black) gas delivered to a carbon black plant

Code 8: (Underground storage) gas injected directly into a storage reservoir

### **Transfer of Stock**



- RRC staff will transfer stock for these circumstances:
  - SWR 10 (down hole commingle)
  - Field Transfers
  - Unitizations, Subdivisions, and Consolidations.

PR remarks should reflect the volume to be transferred from the existing lease ID to the new lease ID with the effective date.

- Reclassifications: both Oil and Gas wells:
  - Reports are required from the test date
  - Stock can *not* be transferred from the prior reporting lease ID number. PR's will need to be filed under the previous ID number until stock balance is zero

### Reporting Gas Stacked Laterals



- When reporting production for stacked lateral Gas well sets, a Supplemental Attachment Form is required each month per SWR 86.
  - The gas and condensate production shall be identified by individual API numbers for all wells in the stacked lateral set, both "Parent and "Children" wells.
  - The combined production of the stacked lateral set should be reported on the Form PR using the Parent's well ID number. Do *not* file individual production for "Children" wells.
  - The attachment can be emailed to the productionreporting-info@rrc.texas.gov address or mailed.

A Supplemental form is not required for an oil lease.

	Supplem	nentary Attachment to FOR	M PR	
		onth: Year:	Parent RRC #	
Field Name Lease Name	RRC Gas ID# (For PR reporting)	API II for Stacked Lateral	Gas Production (MCF)	Condensate Production (OIL)

<sup>&</sup>quot;Supplementary Attachment to Form PR" example form

# Filing Options



- Hard Copy
- Online/ EDI (Electronic Data Interchange)

- Hard Copy:
- Mailing in a PR report.
- On-line/ EDI (Electronic Data Interchange):
- Filing through the online system or uploading a file.

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<sup>&</sup>quot;Monthly Production Report" form example

### **Hard Copy Issues**



- Not on an approved format.
- No Signature signatures are required on all pages.
- Failure to use blue or back ink.
- Incorrect District/ RRC ID/ P5 #/Lease Type
- Month & Year
- Field data
- Font is too small
- Breaking of RRC identifier form on page to the next
- Remarks

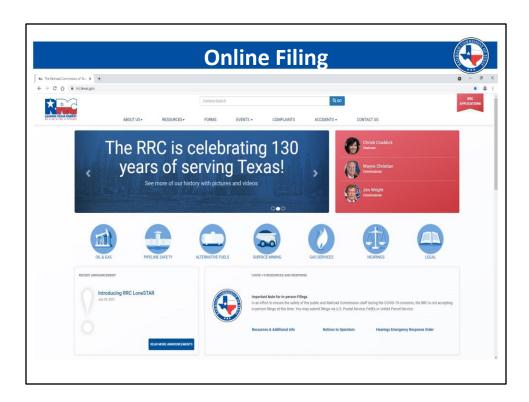
- We strongly encourage the use of our online production system as it is efficient –
  the system reduces the amount of information required as it prepopulates data, in
  addition, there are business rule that eliminate almost all hardcopy filing errors.
- Not on approved format the pages must be printed in **landscape** format.
- No Signature signatures are required on ALL pages of the hardcopy PR reports.
- Dark ink is preferred.
- Incorrect District/RRC Identifier and Operator Number.
- Column 2 Lease Type should be "O" for oil leases, "G" for gas wells or "P" for pending (when using a drilling permit or API number).
- Month/ Year missing Make sure the month and year are correctly reported on all pages. \*\*RRC staff may not alter these details for the filer.\*\*
- Field name not on each page Include the Field Name on each page of your reports.

- Breaking of RRC ID on pages An entry with multiple dispositions should all be reported on the same page.
- Remarks are written on the actual report instead of in the remarks box provided.

### **Online Filing Set Up**



- Read requirements for filing electronically https://www.rrc.texas.gov/forms/online-filing-at-rrc/
- Submit (SAD) Form
- Receive email containing User ID & instructions
- · Administrator User ID cannot file reports
- · Administrator assigns employees filing rights
- · Instructions to get an account:
- Logging On: Use PR User ID, NOT Administrator ID.
- ONLY select "Multiple Commingled", if your lease is on more than ONE commingle permit.
- DO NOT use the same RRC identifier on different lines for additional disposition codes.
- Review the MONTH/YEAR and verify lease the information.
- · Confirm and Submit
- View printable format
- The link to the SAD Form or the SECURITY ADMINISTRATOR DESIGNATION FOR ELECTRONIC FILING form may be accessed on https://webapps.rrc.texas.gov/security/login.do



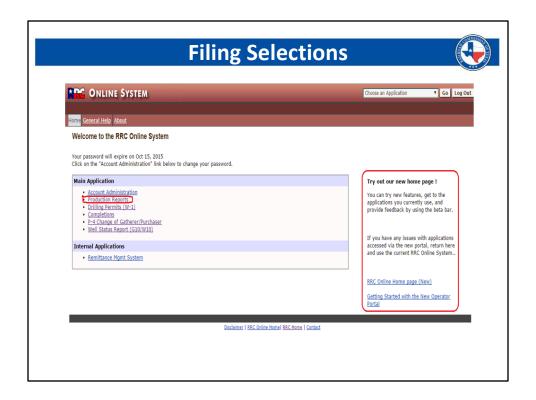
RRC home page highlighting "RRC Applications" ribbon in the upper right-hand corner, then select Online - RRC Online.



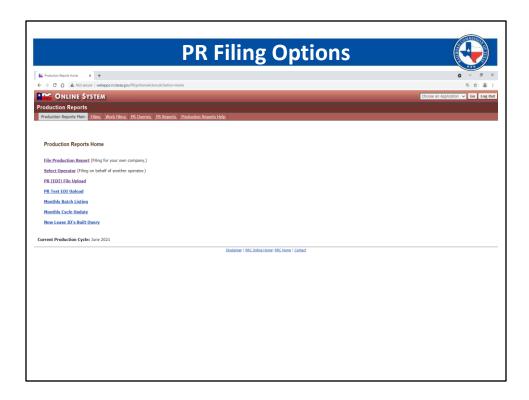
Users must enter their assigned PR User ID and password, then submit.

You will then be taken to the Main Application options.

This page also displays How to Obtain a User ID instructions using the SAD form set up.



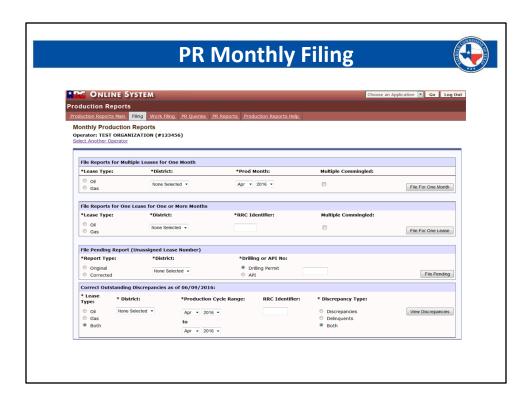
Users will select the "Production Reports" link.



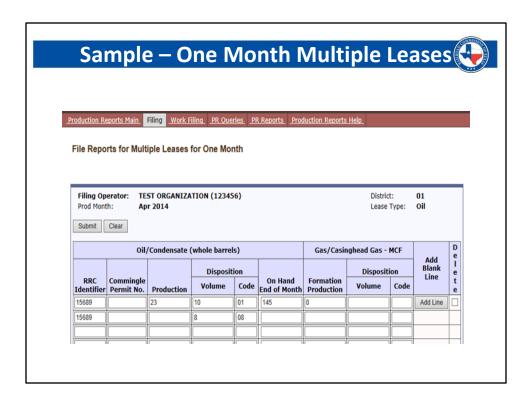
Users will select the "File Production Report" link, to file online.

Operator Sea	rch Query
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Specify an operator on whose behalf you are filing. For more information, see <a href="https://example.com/html/html&lt;/td&gt;&lt;td&gt;&lt;/td&gt;&lt;/tr&gt;&lt;tr&gt;&lt;td&gt;Search&lt;/td&gt;&lt;td&gt;&lt;/td&gt;&lt;/tr&gt;&lt;tr&gt;&lt;td&gt;Operator Search Results&lt;/td&gt;&lt;td&gt;&lt;/td&gt;&lt;/tr&gt;&lt;tr&gt;&lt;td&gt;Select the operator in the following list. Click " monthly="" production="" rep<br="" return="" submit"="" the="" to="">contains a single item, you may simply press the "Enter" key.</a>	orts page populated with the selected operator's information. If the list
Submil Return (122450) TEST ORGANIZATION A	
Disclaimer   RRC Online Home   RRC.	ome   Contact

Users will type in an operator number or name, select it, then submit.



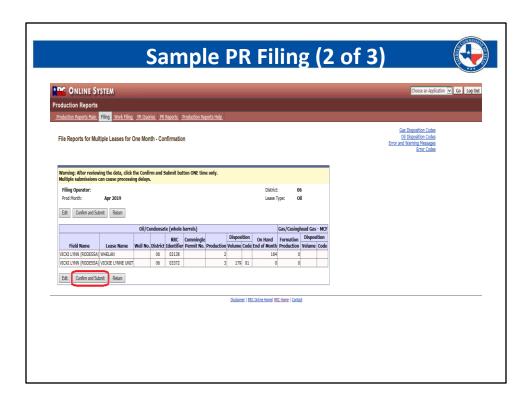
Users will select their desired method for filing, then fill in the requested information, and submit.



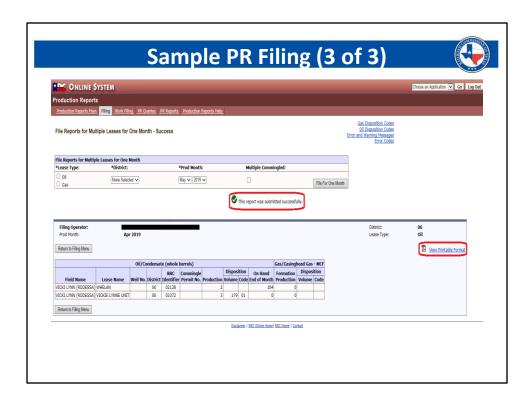
Sample PR Filing example – "File Reports for Multiple Leases for One Month"

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Sample PR Filing example – "File Reports for Multiple Leases for One Month" Discrepancies



Sample PR Filing example – "File Reports for Multiple Leases for One Month" Confirmation



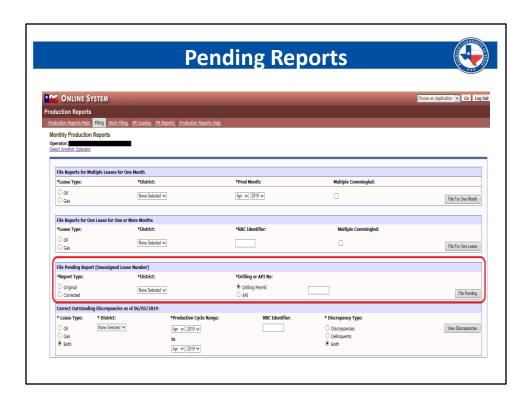
Sample PR Filing example – "File Reports for Multiple Leases for One Month" Success

### **Pending Information**

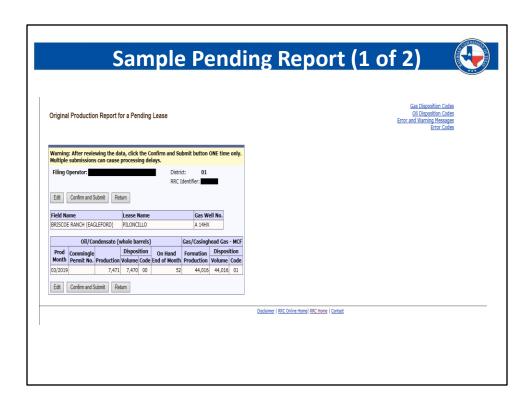


- Use Drilling Permit or API #
- Use correct lease information
- Include well #
- Combine oil wells

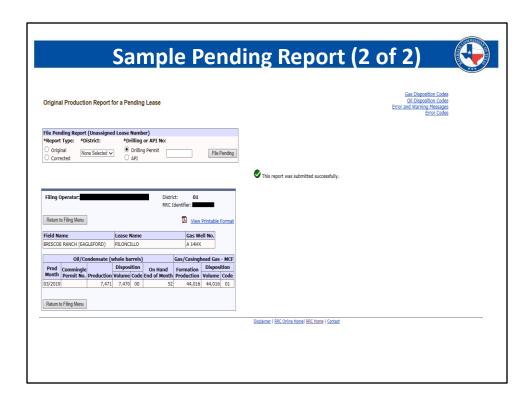
- Use the Drilling Permit or API # to report production and be consistent when filing each month.
- Use the correct Field & Lease names.
- Include the well # for all wells.
- Combine Oil wells assigned to the same lease on one drilling permit or API # if
  you know the wells are going to an existing lease number, you can combine
  production under that lease number.
- Once the RRC lease number has been assigned start using that RRC ID on the production reports
- If in receipt of a delinquent PR letter on a lease that has had the PR data submitted as pending, please send correspondence to the production department's general email for further assistance.



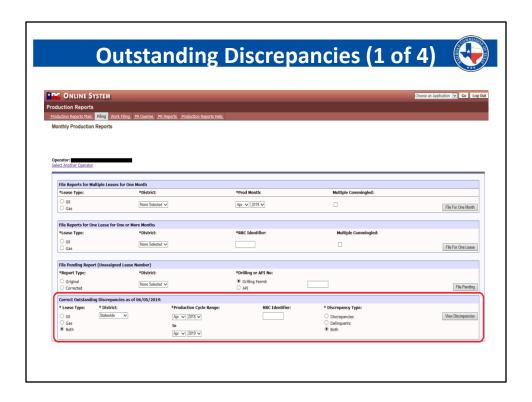
Pending reports – "Monthly Production reports" example



Sample Pending Report – "Original Production Report for a Pending Lease" example



Sample Pending Report – "Original Production Report for a Pending Lease" Successful submission example

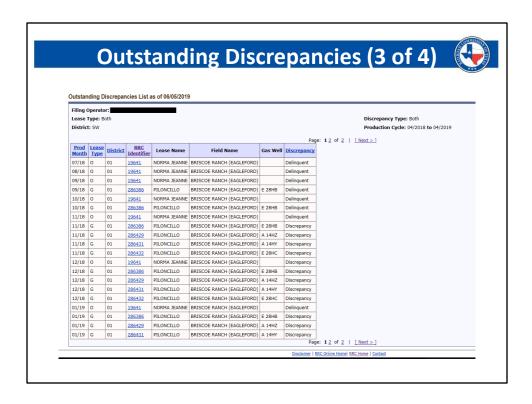


**Outstanding Discrepancies** 

Lease Type: ‡ Di	istrict:	*Production Cycle Range:	RRC Identifier:	* Discrepancy Type:	
	terride v	Agr ∨   2018 ∨     to		O Disorganoles O Delinquents  Both	View Discrepancies

Users will fill in the requested information.

In order to view all discrepancies for all districts, select "Statewide" for the District, and leave the "RRC Identifier" field blank.



The results, if any, will be displayed.

Users can select a RRC Identifier- highlighted in blue, to view the actual discrepancy for that lease.

Fix Discrepancies		Gas Discosition Codes Oil Disposition Codes EETER and Valentin Limited									
Discrepancies					Error Codes						
Filing Operator: Prod Month: November Submit Return	2018				District:	01					
	Oil/Condensate (who	le barrels) Tota			On Hand End of Month	Gas/Casi	inghead Gas - MCF				
Lease No. Lease Total Flag	Food of	Production	Dispositi	Code		Formation Production	Disposit	Code	Add Line		
286386	N/A	9186	9198	00	80	59093	1682	01	Add		
			1	08			57209	03			
Warning #1025: Condensate	stock is out of halance	Con Halp for me	re information				202	04			
Warning #1095: This lease i the P-17.				he correc	t permit for this	s filing. You may	submit this rep	oort pendir	ng updates to		
Disposition Remarks										1	
Commingle Permit No. Oil	Code Gas Co	de Remark									
	04	Gas 04 G/	AS 4 PERMITTED	TO F							
Oil out of balance overric	e explanation										
Permit No. Explan	ition										
Submit Return											

Users can correct their discrepancies using this option.

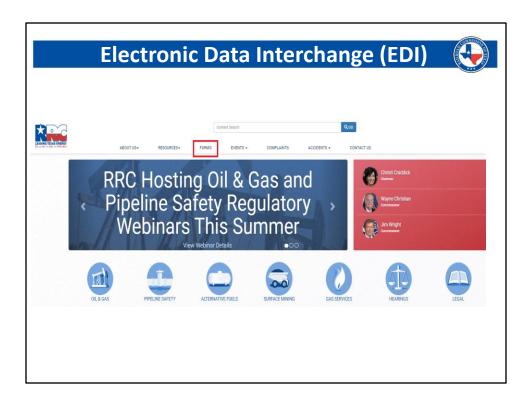
### **EDI Information**



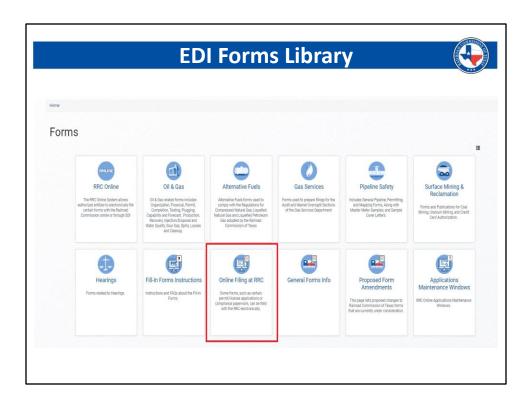
- Browse and verify files
- · Check verified files
- Current & Late reports cannot be combined
- Submit and receive Update Successful message
- Email: <a href="mailto:pr\_edi\_upload@rrc.texas.gov">pr\_edi\_upload@rrc.texas.gov</a>

Users will upload EDI Files to:

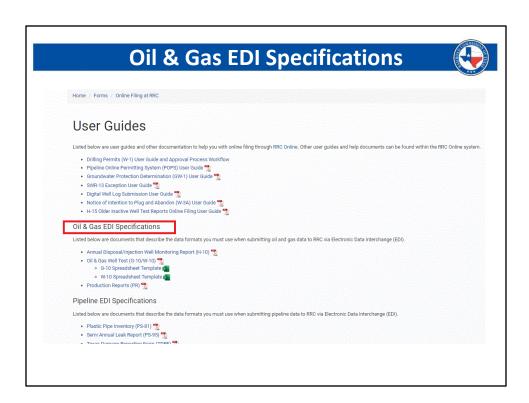
https://webapps.rrc.texas.gov/security/login.do



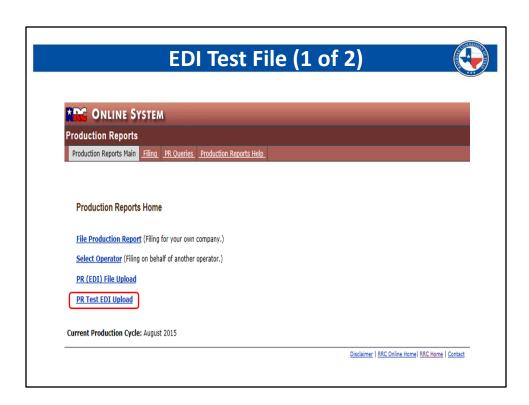
To access our Guides to electronic filing – select FORMs from our home page



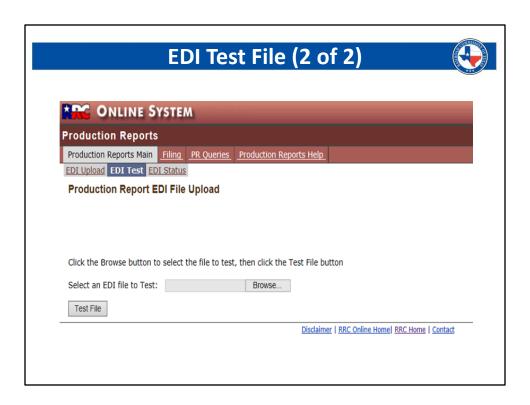
You will then want to select "Online Filing at RRC"



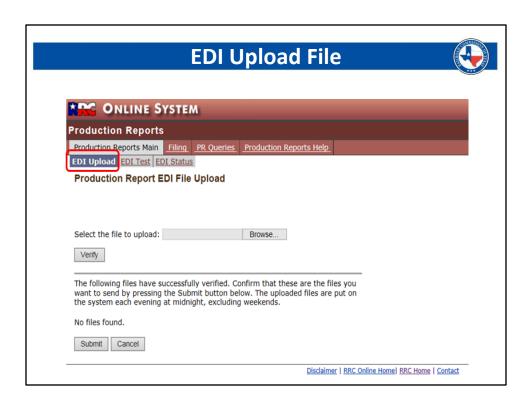
You will find the PR filing guidelines and Oil & Gas EDI Specifications. There are also many other guides on this page that you may find useful.



Users can test their EDI Files before submitting, by selecting the "PR Test EDI Upload" link.



Users can upload their saved file, then select "Test File".



Users will select the "EDI Upload" tab, then select "Verify". Once the file has been successfully verified, users will submit the file.

### **EDI Confirmation**



#### PR EDI Upload Email Message:

- File name & submitter ID
- Agent ID & phone number
- Upload time 2021-08-20 11:27:43.351
- Number of records received, dropped & processed successfully

Users will receive a confirmation email message. \*This is an overnight update process.

# PR Query Information (1 of 2)



#### **Logged** into RRC online system:

- View production back to 1993
- View original & corrected reports
- View & print hard copy reports

Users who are logged into the online system are able to view reports that have been received and are being processed.

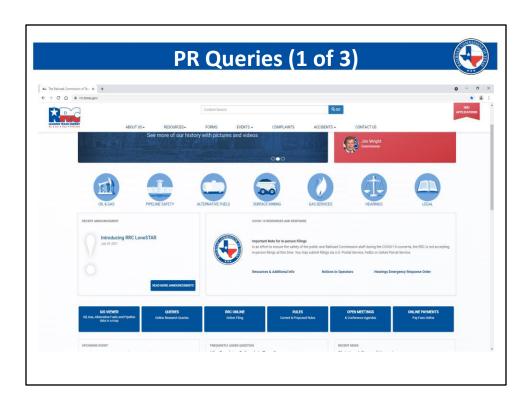
# PR Query Information (2 of 2)



#### Not logged into RRC online system:

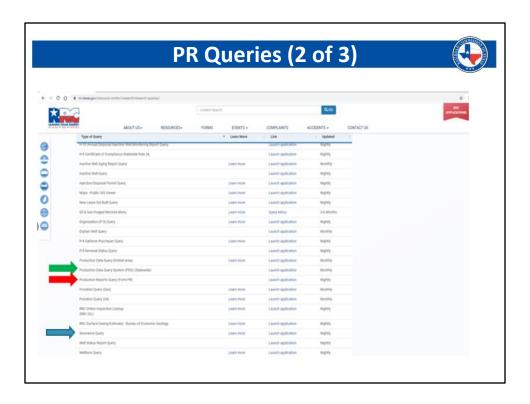
- View production back to 1993
- View only last accepted report
- View only hard copies received after 10/17/05

Users who are not logged into the online system will not be able to view reports, until they have been processed.



Users can view PR Reports online, by selecting the "Queries – Online Research Queries" link.

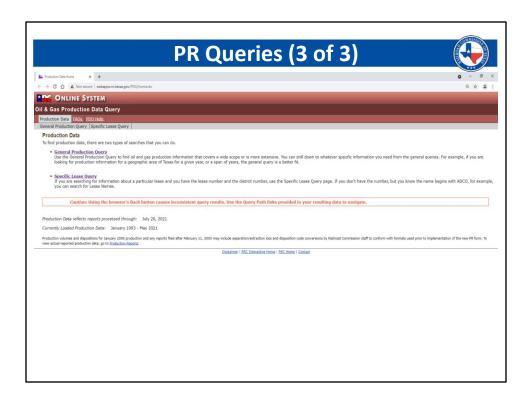
This link will take you to the list of our Online Research Query options.



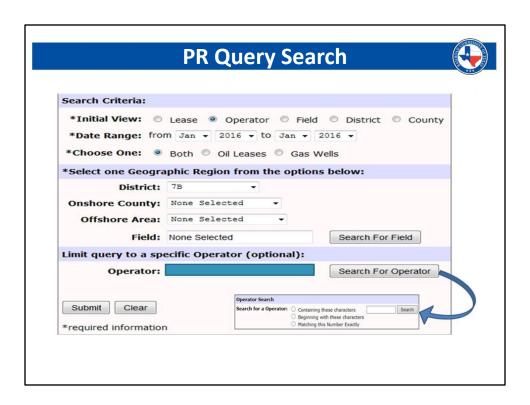
The "Production Data Query System (PDQ) (Statewide)" query link will take you to the list of our Production Data Query System & pull production data that is updated **monthly**.

The "Production Reports Query (Form PR)" query link will take you to the list of our Production Reports Queries Online System & pull production data that is updated **nightly**.

The "Severance Query" link provides data on any severances or seals that a lease may presently have or has had in the past. You will be available to view who issued the severance, the reasoning, the date of the certified letter, the date of the severance (if applicable), the violation resolution date, if there was a fee required, & the letter remarks.

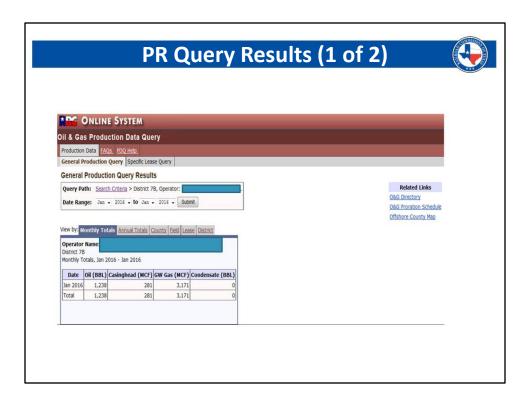


Users can select "General Production Query", if searching for multiple leases, or "Specific Lease Query" if searching for one lease.

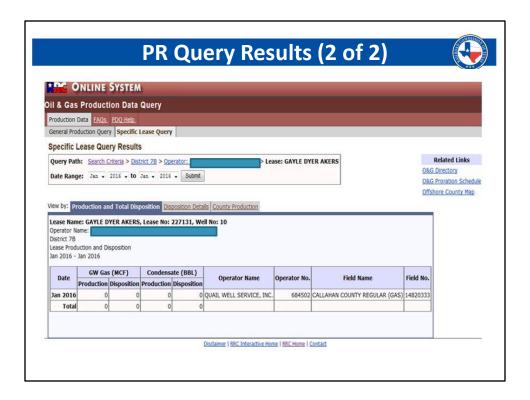


Users can fill in all, or just a portion of the information, to run a search on PR Report information.

When searching for a specific operator, users can select "Search for Operator", and enter the specific information requested.



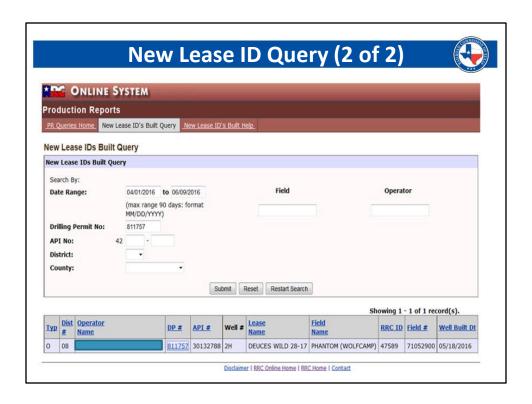
Results will be displayed. (General Production Query)



Results will be displayed. (Specific Lease Query)



Users can look up assigned RRC Identifier numbers in the "New Lease IDs Built Query", located under the "Online Research Queries".



Users must fill in a Date Range (90 days at a time), and the drilling permit or API #, then submit.

Results will be displayed.

# Production Report Reminders



- · Taking over lease ownership
- Taking over a lease that is sealed/severed
- Water that is reported on a PR
- 1st month of Commingling
- Not authorized to file special

Taking over lease ownership – When taking over a lease as the new owner, if the previous operator had delinquent reports, as the new operator you are required to submit those delinquent reports or submit a letter of explanation to the production department's general email.

Taking over a lease that is sealed/severed – If you are the new owner of a lease that is either severed or sealed, you are allotted 30 days from the approval date to become compliant without being required to pay the reconnect fee.

Water that is reported on a PR – If water is reported on the PR & a registered R-2 facility did not dispose of it, then a corrected PR will be required with the water reduced out of previous production.

1<sup>st</sup> month of commingling – If you received an Oil or Condensate Out of Balance discrepancy letter in error, contact the production department prior to taking any further action.

Not authorized to file special – Email the production department if this discrepancy letter is received in error.

# **Contact Information - PR Reports**



**Production Audit Department** 

General Phone Line 512-463-6726

Email: <a href="mailto:ProductionReporting-Info@rrc.texas.gov">ProductionReporting-Info@rrc.texas.gov</a>

Contact Information – PR Reports

Production Audit Department General Phone Line 512-463-6726 Email: ProductionReporting-Info@rrc.texas.gov



#### Form P-17/P-17A Class Description (1 of 2)



- Form P-17
  - The royalty interest and working interest are not the same with respect to identity and percentage.
  - Notice must be sent by certified letter.
  - A \$375.00 fee is required.
- Form P-17A
  - Production is measured separately before commingling.
  - The royalty interest and working interest ownership is identical percentages.
  - This form does **not** require a fee.

#### Form P-17

- The royalty interest and working interest are not the same with respect to identity and percentage
- Notice must be sent by certified letter
- A \$375.00 fee is required

#### Form P-17A

- Production is measured separately before commingling
- The royalty interest and working interest ownership is identical percentages
- This form does NOT require a fee

# Form P-17/P-17A Class Description (2 of 2)

- · When to file
- Who needs to file
- Where and what to file
- Fees

When to File - Oil/Condensate and natural gas production must be measured prior to leaving the lease, and/or custody transfer. An exception to individual lease/gas well metering and storage may be requested by filing a Form P-17, with the supporting documentation that is required.

Who Files - An operator of oil and gas production, that has a current P-5 on file, who is responsible for compliance with Statewide Rules 26, 27, and/or 55, must file a Form P-17 or P-17A.

Where and What to File - You may submit a hard copy of the P-17, along with the payment to:

Railroad Commission of Texas Attn: Public Sales P.O. Drawer 12967 Austin, TX 78711-2967

**Fees** - The Form P-17 fee is \$375.00, which includes the (\$150 P-17 filing fee and \$225 surcharge).

\*There is not a fee to delete a lease.

# Form P-17 Template



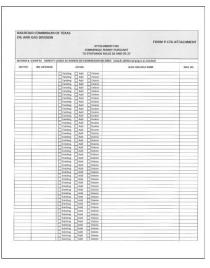


ARRIGINATE COMMISSION OF TEXAS  OIL AND GAS DIVISION  APPLICATION OR MCVISION TO  APPLICATION OR MCVISION TO  APPLICATION OR MCVISION TO  COMMISSION APPLICATION  COMMISSION TRAVILLATION  COMMISSIO											
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# Form P-17A Template







#### Why File Form P-17/P-17A



- Statewide Rules (SWR)
  - -SWR 26
  - -SWR 27
  - -SWR 55

**Purpose of filing** - File Form P-17 as provided for in Statewide Rules 26, 27 AND 55, for the following:

(1) Surface commingling of liquid hydrocarbon (oil, condensate or a combination of oil and condensate) production

into a common facility OR surface commingling of liquid hydrocarbons and gas production into a common facility, with

liquids reported on Form PR (these are the only commingling situations in which a permit number will be assigned for

- reporting on Form-PR (Production Report);
- (2) Production of gas well full well stream to a plant/common facility, with the liquids reported on Form R-3;
- (3) Gas metering exceptions;
- (4) Off-lease separation/storage/metering;
- (5) Amending an existing surface commingling permit, (complete SECTIONS 1 through 6 of Form P-17 or P-17A).
- \*File Form P-17 or P-17A to amend an existing surface commingling permit if there a

lease consolidation, unitization, field transfer, work-over, or re-completion of a surface commingled lease/gas well.

## Form P-17/P-17A Terms (1 of 2)



- Common separation and storage
- Common storage only
- Deduct metering
- District and county
- Effective month/year of requested exception

**Common Separation and Storage** - when production from two or more leases or wells are combined into one separating device/facility, with the liquids placed in common storage.

**Common Storage Only** - when each commingled lease or well has a separating device, and the liquids are stored in a common tank after individual separation.

**Deduct Metering** - a method of allocating production to a non-metered gas well, by subtracting other individually measured well volumes from the total measured gas volume.

**District and County** (top, right-hand corner): - the Railroad Commission district and county where the commingling facility is physically located.

**Effective Month/Year of Requested Exception** (top, right-hand corner): - the initial month/year (or amended month/year), that surface commingling actually begins.

### Form P-17/P-17A Terms (2 of 2)



- Effective month of deletion
- Location plat
- Off-lease
- RRC identifier

**Effective month of deletion**: when a lease/well becomes inactive and must be deleted from a commingle permit, all the stock on hand must be disposed of before filing an amended Form P-17/P-17A to delete the lease/well. The effective month of deletion should be the month following the month of the last disposition zeroing out the stock. When discontinuing the operating and reporting of facilities, the Commission and the gatherer must be notified of the effective month of the permit cancellation.

**Location plat**: a plat that shows the location of all leases involved in the application. A location plat is required with a Form P-17 for:

- (1) Off-lease storage of oil or condensate or;
- (2) Off-lease metering of gas or liquids.

The location plat should show the approximate location of L.A.C.T. units, meters, tank batteries, and any other separation, metering, or storage facilities involved in the surface commingling application.

**Off-Lease**: when storage, metering and/or separation is done, at a location other than the lease.

**RRC Identifier**: all RRC assigned oil lease, gas well, and drilling permit numbers.

# Form P-17/P-17A Fee Requirements 🚱



- When is a fee required?
- When is a fee not required?

### When is a Fee Required?

- (1) When submitting a P-17
- (2) When filing a new commingle permit
- (3) When filing an amended commingle permit (to add leases or gas wells for new drills, re-completions, re-classifications and field transfers)
- (4) When changing the effective date

### When is a Fee Not Required?

- (1) When submitting a P-17A
- (2) When deleting leases or wells from commingle permits;
- (3) When canceling commingle permits.
- (4) When filing an amended commingle permit (to add leases or gas wells for new drills, re-completions, re-classifications and field transfers)

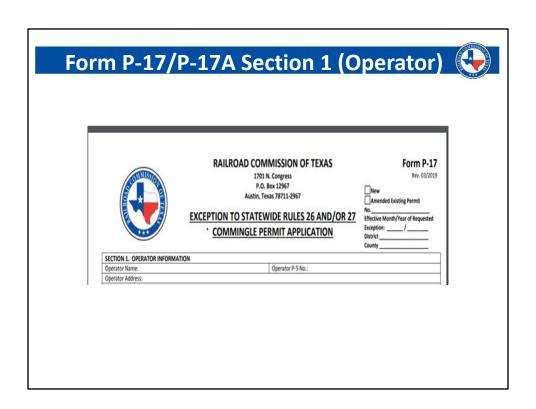
# Filling Out the Form P-17/P-17A



- Top, right corner
  - Check new/amended number
  - Effective month/year of requested exception
  - Check existing, add or delete
  - District /county

### In the top, right corner, fill in the following:

- the option for the type of permit New or Amended.
- the Effective Month/Year of the Requested Exception.
- Select Existing, Add or Delete for each lease.
- the District/County.



**Section 1**. requests the operator information that is filing the Form P-17/P-17A.

Form P-17/	P-17A Section 2 (0	Gatherer)
	RAILROAD COMMISSION OF TEXAS  1701 N. Congress P.O. Box 12967 Austin, Texas 78711-2967  EXCEPTION TO STATEWIDE RULES 26 AND/OR 27  COMMINGLE PERMIT APPLICATION	Form P-17  Rev. 03/2019  New Amended Existing Permit No. Effective Month/Year of Requested Exception: / District County
SECTION 1. OPERATOR INFORMATION		
Operator Name:	Operator P-5 No.:	
Operator Address:	THE COMMETICAL CONTRACTOR AND ADDRESS OF THE CONTRACTOR AND ADDRES	
SECTION 2. GATHERER (of oil or conde	nsate) INFORMATION (not required if 3b is checked)  Gatherer P-5 No.:	
Gatherer Name:	Oduletei P-3 NU.:	
Gatherer E-mail Address:		
(Optional – If provided, e-mail address	will become part of this public record.)	

**Section 2**. requests the gatherer information of oil/condensate for the leases listed with the Form P-17/P-17A.

	/P-17A (Comming	
	RAILROAD COMMISSION OF TEXAS  1701 N. Congress P.O. Box 12967 Austin, Texas 78711-2967  EXCEPTION TO STATEWIDE RULES 26 AND/OR 27 COMMINGLE PERMIT APPLICATION	Form P-1  Rev. 03/201  Amended Existing Permit  No.  Effective Month/Year of Requested Exception: District  County
SECTION 1. OPERATOR INFORMATION	N	County
Operator Name:	Operator P-5 No.:	
Operator Address:		
	ensate) INFORMATION (not required if 3b is checked)  Gatherer P-5 No.:	
Gatherer Name: Gatherer Address:	Gatherer P-5 No.:	
Gatherer E-mail Address:		
	will become part of this public record.)	
SECTION 3. APPLICATION APPLIES TO	(CHECK ALL THAT APPLY): OIL CASINGHEAD GAS GAS	WELL GAS CONDENSATI
b) Gas well full well stream i Form R-3 Serial # liquid hydrocarbons recove explanation of any exceptic c) Condensate and low-pres d) This request is for off leas e) This exception is for comf f) This exception is for comf	sure Gas Well Gas are commingled into low-pressure separation and storage face:   Storage   Separation   Metering mon storage. mon storage. mon separation. ghead gas metering by:   Deduct Metering   Allocation by well test   Ot	number of stock tank barrels of rdance with SWR 55. Attach an illities.

Section 3. applies to the type of stock that is commingled per the Form P-17/P-17A

- a. Gas well full stream refers to everything that is going into a common separator and storage facility.
- b. Gas well full stream means everything is going to a gasoline plant, and will be reported on the Form R-3 with the R-3 serial #. This P-17/P-17A will not get a commingle permit # but the P-17 or P-17A will show N/A where the commingle permit # is usually listed.
- c. Condensate and low pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
- d. Request for off lease storage, separation, or metering. Only Railroad Commission ID lease numbers may be used and plat must be submitted.
- e. Common storage is being used.
- f. Common separation is being used.
- g. Exception for casinghead gas metering by: (deduct metering, allocation by well test or any other form).

h. Exception for gas well gas metering by: (deduct metering, allocation by well test or any other form).

Form P	<b>P-17 Section 4 (1 d</b>	of 21
I OIIII I	-17 Section 4 (1 (	JI <b>Z</b> J
	P.O. Box 12967 Austin, Texas 78711-2967	New
		Amended Existing Permit
	EXCEPTION TO STATEWIDE RULES 26 AND/OR 27	Effective Month/Year of Requests
***	COMMINGLE PERMIT APPLICATION	Exception:/ District County
SECTION 1. OPERATOR INFORMA	ATION	County
Operator Name:	Operator P-5 No.:	
Operator Address:	- Lucios de Company	
SECTION 2. GATHERER (of oil or o	condensate) INFORMATION (not required if 3b is checked)	
Gatherer Name:	Gatherer P-5 No.:	
Gatherer Address:	•	
Gatherer E-mail Address:		
	dress will become part of this public record.)	
SECTION 3. APPLICATION APPLIE	S TO (CHECK ALL THAT APPLY): 🔲 OIL 🗌 CASINGHEAD GAS 🗌 GAS	WELL GAS CONDENS
a) Gas well full well stre	eam into common separation and storage facility with liquids reported on Form PR.	
b) Gas well full well stre	eam into a gasoline plant/common separation and storage facility with liquids reporte	ed on
Form R-3 Serial #	(If full well stream is checked, the results of periodic tests to determine the	number of stock tank barrels of
liquid hydrocarbons re	ecovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in acco	rdance with SWR 55. Attach an
explanation of any exc		
	-pressure Gas Well Gas are commingled into low-pressure separation and storage fac	ilities.
	f lease: Storage Separation Metering	
e) This exception is for		
f) This exception is for		
	casinghead gas metering by: Deduct Metering Allocation by well test 0tl	
h) This exception is for	gas well gas metering by: Deduct Metering Allocation by well test Ot	her
SECTION 4. NOTICE REQUIREMEN		
If you are seeking an exception to commingling.	o Rule 26 or 27 pursuant to subsection (d) of Rule 26, 21-day notice is required and	applies to all wells proposed for
The royalty interests	and working interests are not the same with respect to identity and percentage; an	od the production stream from a
	sion-designated reservoir is not measured separately therefore, I have provided the	
subsection (d) of Rule 26		and the second particular
Description will be allowed	ated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (a	(as) Other

Section 4. Notice Requirements and Allocation Method:

Notice of Application (NOA) is not required if you check any one of boxes 4.a, 4.b, 4.e or 4.f;

Notice of Application (NOA) is required if you check box 4.c. If the royalty and working interest owners of all leases producing into the common separation and/or storage facility are not the same, and you do not meter before commingling, you must provide a 21 calendar day notice of the application to, or waivers of objection from, the royalty and working interest owners, in accordance with SWR 26(b)(1)(C).

In addition, if you do not check box 4.a., you must indicate the method of allocation of production in accordance with SWR 26(b)(3). Attach a diagram/schematic to the Form P-17, that shows all meters, separators, and other production equipment where production from each well is separated, metered, and/or commingled.

Additional notice of application (NOA) is required if you check box 4.d. and/or 4.g., but do not check boxes 4.e, & 4.f. If the wells proposed for commingling produce from multiple reservoirs, or any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted, you must provide additional notice of the application to all offset operators of adjacent tracts, having one or more wells producing from the same reservoirs

(SWR 26(b)(4). Attach an Affidavit to the Form P-17, stating that notice of the application was sent by certified mail, or that waivers of objection were received.

## Form P-17 Section 4 (2 of 2)



- Send certified mail
- Application is held for 21 days
- Publish the application
- Send to the Railroad Commission in Austin, TX

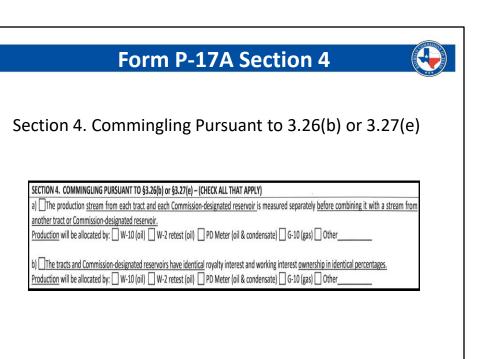
Notice must be sent by certified mail to royalty interest and working interest.

Application will be held for 21 calendar days from the date the Notice of Application (NOA) was mailed.

If mail is returned, you must publish the application in the newspaper of general circulation in the county where the tank is located for 2 consecutive weeks.

The affidavit must then be sent to the Railroad Commission in Austin, TX.

No Notice for Form P-17A



Section 4. Commingling Pursuant to 3.26(b) or 3.27(e)

Exampl	e of a 21 Calendar Day	Notice 😜
	HONEY OPERATING	
	July 12, 2013  Dariner Williams 1.37 Salmout Street Whilever, 17, 77777  Re: Application for Exception to Statewide Rules (SWR) 26 and 27  Please find enclosed a copy of form P-17 for surface commingling of hydrocarbons. This application will be submitted to the Taxas Rallorad Commission, seeking approval to commisgle the Apple A and Apple B leases producing from the Springerry (Trend Area) field. Notice to you of this application in required per Statewide Rules 2 and 27, Firoy have no depiction to the permit, contact the Rallorad Commission of Teass.  If you would like further information regarding this application, please contact the Regulatory Specialist at (11) 123–365 or by email at (email of person to contact).  Sincerely,	
	Bee Honey Regulatory Specialist  Cc: Railroad Commission of Texas  I hereby certify that this letter was sent to the interested party on the above date.	
	Bee Honey — Operations, Honey Operating	

Example of a 21 calendar day notice.

# Example of an Affidavit of Publication 🚱



#### AFFIDAVIT OF PUBLICATION

Before me, a Notary Public, Personally appeared John Doe, who, after being duly sworn upon oath, deposes and says:

I am the Managing Editor of the Big Spring Herald, a daily newspaper, located at Big Spring, Howard County, Texas. The accompanying printed matter represents a true and correct copy(ies) of: Turtle Petroleum, Inc. (P-17 Application) published November 21, & 28, 2012, in the Big Spring Herald on the date(s) indicated:

I hereby swear and affirm that the above-mentioned Texas newspaper has general circulation in the following Texas County(ies): Howard, Glasscock, Martin and Dawson.

I further swear and affirm that I have personal knowledge of all matters stated herein and that the foregoing statements are true and correct.

Example of an affidavit of Publication.

Ex	ample of a Protest Lett	er 🔑
	Bee Honey P. O. Box 2222 Halpoy, TX 77777 March 1, 2012 Railroad Commission of Texas Oil and dear Division P. O. Box 12397 Austin, TX 78711 Dear Sir: Letter to show the full name of Royalty Owner Bee Honey We received a notice from Betty Sue Inc., advising that they have submitted an APPUCATION FOR EXCEPTION TO STATEWIDE RIQLES (SWR) 26 AND/DR 27, FORM P-17, dated 2/22/12, to the Railroad Commission of Texas. A copy of the Application is received in attached. Betty Sue Inc., application is for commingling the oil and casinghead gas production from the Maybe Lease (RRC District E., RRC Identifier GODGOO. I am a royalty owner in the Whatever Lease. We own 66.66 % of the royalty in this lease. We want to officially protest commingling the production of these two leases. We DO NOT want the Whatever Lease production to be commingled with the Maybe Lease production or commingled with the Production of any other lease. We request that this application be denied. Sincerely,  Bee Honey	

Example of a Protest Letter.

### Form P-17/P-17A Sections 5 & 6



Section 5: Commission–designated reservoir

**SECTION 5.** Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Additional notice may be required; see instructions)

• Section 6: Name of Well Operator

SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

### **Section 5**. Commission–designated reservoir:

Check the box if any one of the proposed commingling produces from a Commission—designated reservoir for which special field rules have been adopted.

#### **Section 6**. Name of Well Operator:

Check the box in section 6 if the operator of any well proposed for commingling is different from the operator listed in section 1 of the Form P-17 or P-17A. If you check this box, attach a listing of the names of each "other" operator, along with the P-5 operator number for each operator.

## Form P-17/P-17A Sections 7 & 8



 Section 7: Oil Production of All Wells to be Commingled

	_						
SECTION 7.	For	oil production	the production from	all oil we	lls on each oil lease is to be commingled.	(See instructions)	

Section 8: Leases Shown on Commission Records

DISTRICT	RRC IDENTIFIER		ACTIO	IN		LEASE AND FIELD NAME	WELL NO
		Existing	☐ Ac	ld	Delete		
		Existing	☐ Ac	ld	Delete		
		Existing	☐ Ac	ld	Delete		
		Existing	☐ Ac	ld	Delete		
ATTACH ADDI	TIONAL PAGES AS NEED	ED. No ac	dditiona	l page	es 🗌 Add	fitional pages (# of additional pages)	
FEE: \$150 Fillin	g Fee + \$225 Surcharge	= \$375 total re	mittan	e req	uired (See St	tatewide Rule 78)	

### **Section 7**. Oil Production of All Wells to be Commingled:

Check the box in section 7 if all producing wells listed under all specific oil lease numbers on the proration schedule for the effective month are being commingled under this application. If this box is checked, individual well numbers for each oil lease number listed under section 8 do not need to be listed. Do not check the box in section 7 if production from only some of the wells under any oil lease number is commingled under this application.

#### Section 8. Leases Shown on Commission Records:

District: Indicate the Commission districts associated with the RRC identifiers.

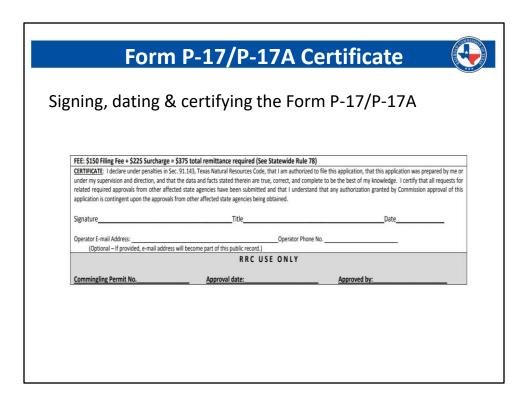
RRC Identifiers: For new applications, list each RRC oil lease or gas ID numbers to be surface commingled. If the lease or gas ID numbers have not yet been assigned, list the drilling permit numbers of the wells proposed for commingling. If more space is needed, complete the list of leases on an additional page and attach it to the Form P-17 or P-17A.

Action: List all existing leases or wells, and all wells that are being added to or deleted from the commingle permit, and check the appropriate box to indicate the action.

<sup>\*</sup>A lease is considered existing if it is already on the commingle permit.

Lease Name: Indicate the names of the leases/wells. If the lease identifier is pending, also provide the field name.

Well Number: When only part of the wells on a given oil lease are commingled, list the individual well numbers to be commingled in the "Well No." column. If the wells exceed the space provided, attach a list with the Form P-17 or P-17A. It is not necessary to list the gas well numbers because gas leases only have one well. If all of the wells of an oil lease are being included, the word "all" can be listed in the "Well No." column as opposed to listing each well.

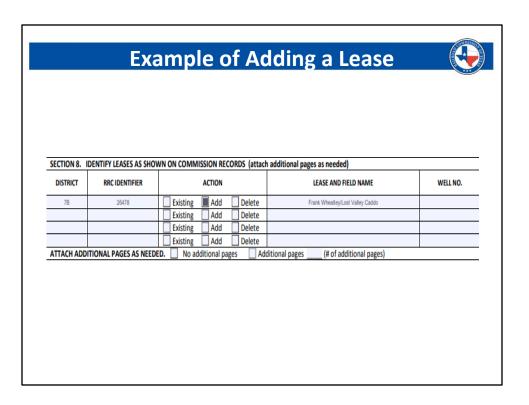


Commission Approval of Form P-17/P-17A:

Upon approval of the Form P-17/P-17A, the Railroad Commission will mail an approved copy to both the applicant and the gatherer.

Any exception to Statewide Rule 26 or 27 granted by the Railroad Commission through the approval of the Form P-17 is contingent on the applicant obtaining all required approvals from other affected State Agencies.

In addition, if a protest is registered with the Railroad Commission concerning the installation and/or operation of the facilities approved at any time following approval, the exception to SWR 26 and/or 27 shall be subject to cancellation by the Railroad Commission if, after due notice and hearing, cancellation is justified.



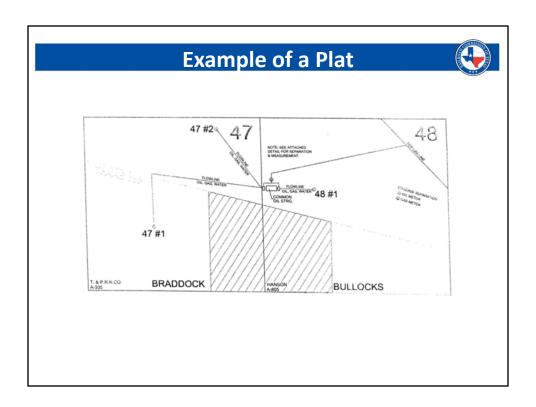
Example of adding a lease to a Form P-17P-17A.

SECTION 8.	IDENTIFY LEASES AS SHO	WN ON COMMISSION RECORDS (attach ad	ditional pages as needed)	
DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	22389	Existing Add Delete	Red Zone/Morris Consolidated	all
08	13652	Existing Add Delete	Blue Moon/Morris Consolidated	al
		Existing Add Delete		
		Existing Add Delete		
TTACH ADD	ITIONAL PAGES AS NEED	ED. No additional pages Additional	onal pages (# of additional pages)	

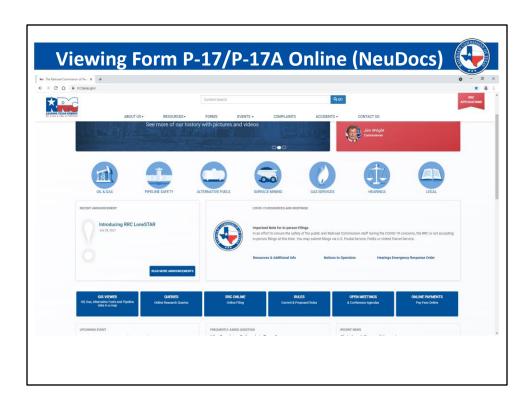
Example of deleting a lease to a Form P-17/P-17A.

SECTION 8. I	DENTIFY LEASES AS SHO	WN ON COMMISSION RECORDS (attach ac	lditional pages as needed)	
DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
06	734268	Existing Add Delete	Mosely Unit/Miller Creek Field	1
		Existing Add Delete		
		Existing Add Delete		
		Existing Add Delete		
TTACH ADD	TIONAL PAGES AS NEED	ED. No additional pages Additi	onal pages (# of additional pages)	

Example of using a drilling permit number on a Form P-17/P-17A.

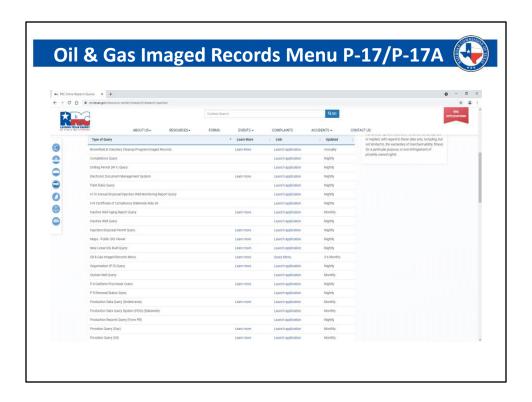


Example of a Plat.

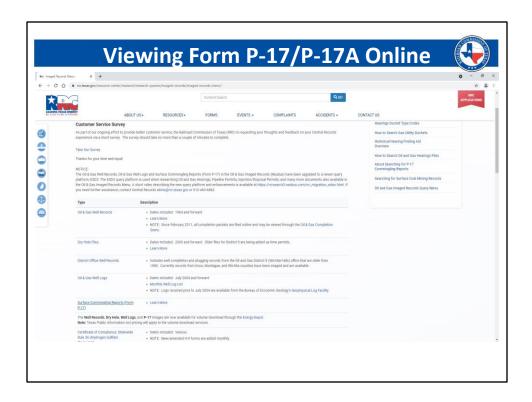


Users can view P-17/P-17A forms online, by selecting the "Queries – Online Research Queries" link. This is located on the RRC home page and is the second blue tile next to the GIS Viewer.

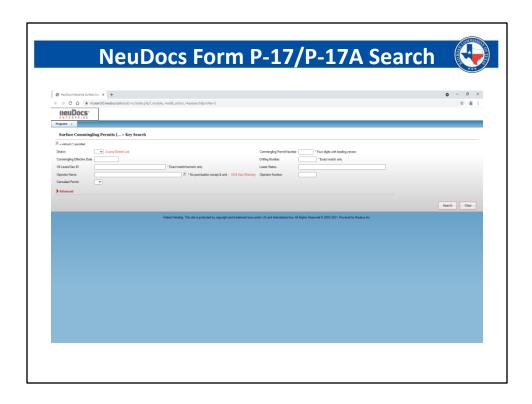
This link will take you to the list of our Online Research Query options.



Go to the "Oil & Gas Imaged Records Menu" and click "Query Menu".



Click the "Surface Commingling Reports (Form P-17)" link.



Fill in the district and commingle permit number and click "Search".

# Form P-17/P-17A Quick Tips



- Completed form
- Fee included (only for P-17)
- Original copy

Make sure the Form P-17/P-7A is complete.

Make sure the Fee is included when applicable. Not Required for P-17A.

Only the original copy is needed.

## Form P-17/P-17A Common Questions 😜

- What is the effective date of deletion/cancellation?
- What is the effective month/year of requested exception?
- Once approved what address is the P-17/P-17A mailed to?
- What is the difference on Section 4 of the P-17 & P-17A?

What is my Effective Date of Deletion/Cancellation? The month/year following the month/year when all of the stock on hand is disposed of.

\*Example: The lease was zeroed out on the PR report in July 2021, so the effective date of the cancellation is August 2021.

What is my Effective Month/Year of Requested Exception? The month/year when commingling began.

Once approved what address is the P-17/P-17A mailed to? The address provided on the Form P-17 or P-17A.

What is the difference on Section 4 of the P-17 & P-17A? If the leases are measured prior to commingling or if the Royalty Interest/Working Interest are the same then you may file the Form P-17A. The Form P-17A does not require a fee. If the leases are not measured before commingling and the Royalty Interest/Working Interest are not the same then you must send out certified letters and pay the \$375.00 fee.

# P-17/P-17A Contact Information



**Production Audit Department** 

General Phone Line 512-463-6726

Email: <a href="mailto:ProductionReporting-Info@rrc.texas.gov">ProductionReporting-Info@rrc.texas.gov</a>

Contact Information: P-17/P-17A

Production Audit Department General Phone Line 512-463-6726 Email: ProductionReporting-Info@rrc.texas.gov

# **Questions and Comments**



Questions and/or comments regarding the Form P-17/P-17A

Questions and/or comments regarding the Form P-17/P-17A

### Evaluation & Archive Video



### **Evaluation**

 Please complete the evaluation available on the RRC website at <a href="https://survey.alchemer.com/s3/6403402/202">https://survey.alchemer.com/s3/6403402/202</a>
 1-RRC-Regulatory-Webinars-Oil-Gas-and-Pipeline-Safety-Evaluation

### **Archive Video**

 A link to the archive video of the webcast will be available on the same webpage as the presentation.